

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2505 S. Townsend Ave.
Montrose, CO 81401**

Finding of No Significant Impact (FONSI)

DOI-BLM-CO-S050-2013-0010 EA

CASEFILE/PROJECT NUMBER: COC-75916

LOCATION:

Township 12 South, Range 91 West, 6th P. M.

Section 31: Lots 11 through 26 inclusive

Section 32: Lots 10 through 15 inclusive

Township 12 South, Range 92 West, 6th P.M.

Section 36: S2

Township 13 South, Range 92 West, 6th P.M.

Section 1: Lots 5 through 8 inclusive

Township 13 South, Range 91 West, 6th P.M.

Section 5: lots 2, 3, 4, 10, & 11, E/2SWNE, N/2NWSWNE, N/2N/2SENE,
N/2NENESE, NENWNESE, W/2W/2NESE, E/2NWSE;

Section 6: Lots 1 through 4 inclusive

*containing 1,790.2 acres more or less

PROJECT NAME: Spruce Stomp Coal Lease by Application

APPLICANT: Bowie Resources, LLC

BACKGROUND

Currently, Bowie Resources, LLC (Bowie) operates the Bowie No. 2 Mine, which is an underground longwall coal mine northeast of the town of Paonia, Colorado. Coal mining has been conducted in the North Fork Valley for over 100 years. The Bowie No. 2 Mine has been in operation since November 1997 and is capable of producing approximately 5,000,000 tons of coal annually.

Bowie submitted a federal competitive coal lease-by-application (LBA) to the Bureau of Land Management (BLM) on October 12, 2012. The proposed LBA contains lands managed by the BLM Uncompahgre Field Office (UFO) and the U.S. Forest Service (USFS) Grand Mesa, Uncompahgre, and Gunnison National Forests (GMUG), as well as private surface lands with

federal minerals. The LBA (COC-75916), called Spruce Stomp, contains approximately 1,790.2 acres and is immediately adjacent to existing coal leases held by Bowie. The proposed lease covers approximately 1,333.6 acres of National Forest System land, 88.4 acres of BLM land and 368.2 acres of private surface with federal minerals. The application area contains an estimated 8.02 million tons of recoverable coal in the B seam. All of the coal mineral estate is administered by the BLM. The BLM is required by law to consider leasing competitively federal coal for economic recovery.

FINDING OF NO SIGNIFICANT IMPACT

Based upon analysis and a review of potential environmental impacts contained in the following two NEPA documents, I have determined that the Proposed Action will not have a significant effect on the human environment, individually or cumulatively, with other actions in the general area.

1. 2013, Environmental Assessment (DOI-BLM-CO-S050-2013-0010-EA) (EA), Bowie Coal Lease Modification Application.
2. 2000, USDA FS and BLM Environmental Impact Statement for the Iron Point Exploration License, the Iron Point Coal Lease Tract, and the Elk Creek Coal Lease Tract (a.k.a., "North Fork Coal EIS") and Record of Decision, March 30, 2000.

RATIONALE

This FONSI is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to the context and the intensity of impacts described in the subject EA.

CONTEXT

The Proposed Action is in Delta County, Colorado, on lands managed by BLM and USFS, as well as private lands (with federal coal). The Proposed Action involves leasing federal coal reserves in a LBA tract with approximately 1,790.2 acres immediately adjacent to existing coal leases held by Bowie.

INTENSITY

1) Impacts that may be both beneficial and adverse.

Benefits of the Proposed Action would be continuation of coal production for approximately 1.5 years and contribution to the supply of coal to meet the nation's energy demands. The tract represents about 16 to 18 months of coal reserves based on the rate of mining currently employed at the Bowie No. 2 Mine. Lease stipulations were applied on the LBA to reduce impacts to resources including but not limited to vegetation, riparian, T&E, wildlife habitat and air quality. None of the environmental effects discussed in the EA are considered significant.

2) The degree to which the proposed action affects public health and safety.

Lease stipulations would reduce the potential impacts to public health and safety to a level that is not significant. No public traffic is allowed in the mine surface facilities and traffic near the temporary drill pad locations will be controlled during project surface activities. Precautions for

public health and safety will also be implemented during transport of equipment along public roads to and from the project area.

3) Unique Characteristics of the geographic area, such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

Inventories have been completed for historic and cultural resources in the project area and no potential impacts have been identified. There are no Wilderness Areas, Lands with Wilderness Characteristics, Prime or Unique Farmlands, Wetlands, Floodplains or Areas of Critical Environmental Concern. The short segment (less than one mile) of stream determined eligible for consideration as a Wild and Scenic River would not have its potential classification degraded by the proposed activities.

4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.

This decision for leasing additional coal reserves and its effects are not unique as similar decisions have been made in this area for many years, and leasing is not highly controversial scientifically. There is some uncertainty about the long-term cumulative effects of greenhouse gases and how these effects can be managed but they cannot be quantified or predicted at this time. There may be some public opinion regarding controversy; however, the potential intensity of effects on the quality of the human environment is minimal.

5) The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The Proposed Action is not unique or unusual in this area. Coal mining has been ongoing in the area for over a century and both the BLM and the USFS have experience implementing similar actions. Effects from the Proposed Action are not highly uncertain and do not involve unique or unknown risks.

6) The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.

The Proposed Action would not set a precedent for future coal leasing, extraction or mining decisions. Any future proposals would have to be evaluated on their own merits. The Proposed Action does not entail any known issues or elements that would create a precedent for future activities.

7) Consideration of the action in relation to other actions with individually insignificant but cumulatively significant impacts.

Other projects, including future coal mining, are foreseeable. The Proposed Action was considered in the context of past, present and reasonably foreseeable actions, and it is not anticipated that cumulative impacts of any significance would occur.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources.*

Inventories have been completed for historic and cultural resources in the project area and no significant impacts to districts, sites, highways, structures, or potential loss or destruction of significant scientific resources, have been identified. Two historic properties are located within the projected subsidence area. Although this could cause minimal effects to the historic properties, it is not expected that they would be adversely affected.

9) *The degree to which the action may adversely affect an endangered or threatened species or its critical habitat.*

All threatened, endangered, candidate and sensitive species known to occur in the project area were considered in the EA. None of these species would be adversely affected by the Proposed Action.

10) *Whether the action threatens a violation of federal, state, or local law or requirements imposed for the protection of the environment.*

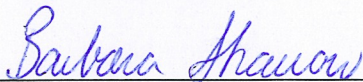
The Proposed Action does not violate or threaten violation of any federal, state, local, or tribal law or requirement imposed for the protection of the environment. State, local and tribal interests were given the opportunity to participate in the environmental analysis process.

DETERMINATION

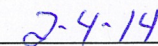
This Finding of No Significant Impact is based on the information contained in the EA and my consideration of criteria for significance (40 CFR 1508.27). It is my determination that:

1) the implementation of the Proposed Action will not have significant environmental impacts; 2) the Proposed Action is in conformance with the Uncompahgre Basin Resource Management Plan; and 3) the Proposed Action does not constitute a major federal action having significant effect on the human environment. Therefore, an Environmental Impact Statement is not required.

Approved:



Barbara Sharrow
Field Manager
Uncompahgre Field Office


Date